CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY Hungary

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1. The only steel producing plants in Hungary were the Ozd Metallurgical Works and the MAVAG Metallurgical Works [ ] 25X1

2. In 1952 Hungarian metallurgical industry produced approximately 2,000,000 metric tons of steel. An increase of 200,000 metric tons was planned in the yearly output for 1953, raising the total yearly output to 2,200,000 metric tons.

3. The 1952 steel output was distributed as follows:

   a. Approximately 400,000 tn. of steel went directly to the Soviet Union as reparations. Reparations deliveries consisted of milled steel, bar steel, "T" and "U" band iron, structural and round iron, Wolfram steel, spring steel, and piano wires. The rumor was that reparations deliveries were to be discontinued on 20 January 1953.

   b. About 300,000 tn. of steel went to the Lorinci Rolling Mill for the production of rough plates above five millimeters in thickness.

   c. Forty thousand tons of steel went to the Borsodnádasd Sheet Metal Factory [ ] for the rolling of fine sheets. 25X1

   d. Sixty thousand tons went to the Rákosi Mátyás Works for the rolling of plates of medium thickness from three to five millimeters.

   e. The remaining 1,200,000 tn. of steel went to Hungarian industry for domestic needs.

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4. The Ozd Works also produced commercial materials and the MAVAG Works produced important goods such as high grade steel rails, 24 and 36 m. long, with hardened edges and bored holes.

5. Metallurgical enterprises were under the administration of the Foundries and Machine Industries Ministry. The distribution of rolled steel was directed by a group of officials in the Materials and Goods Distribution Division of the Ministry. In charge of this group was (fnu) JENEY

6. The rough steel plate rolled by the Loerinci Rolling Mill was used as follows:

   a. By the Gheorghiu Dej Factory (formerly Ganz Shipyards) for the construction of freight ships and monitors for river navigation

   b. By the DIMAVAG Works in the construction of tanks and armor plates for cannons

   c. By the Freight Car Factory of Gyoer in the construction of armored railway cars

   d. By the MAVAG Locomotive and Machine Factory in the construction of locomotives

   e. By the Lang Machine Factory in the construction of turbines

   f. By the Boiler Construction Enterprises in the construction of high pressure boilers

   g. By the Furnace Construction Enterprises for iron metallurgy in the construction of foundries and Martin furnaces.

7. The fine steel plate (black, polished, galvanized, or tinned) rolled by the Borsodnadasd Plate Factory was used by the smaller automobile body industry; by the industry manufacturing communications equipment; by the tool manufacturing industry; by the construction industry; and by the Ganz Freight Car Factory and Gyoer Freight Car Factory in the construction of passenger and Pullman cars.